

TOWN OF LOOMIS

ADMINISTRATIVE POLICIES AND PROCEDURES

FINANCIAL MANAGEMENT POLICY

Effective Date: 6/25/91 Amended: 1/12/2016

Resolution 16-01

POLICY

The Finance Director or Treasurer should use good judgment in maintaining checking account balances, keeping as little as possible in non-interest bearing accounts, but sufficient to cover the cash flow for day to day payment of liabilities.

He/she should project revenues and expenses as carefully as possible to avoid unnecessary transfer costs or loss of investment corpus through the need for sudden or unplanned investment liquidations.

Transfers from non-interest bearing accounts to investment accounts should only be made when the potential income exceeds the cost of the transfer.

Minimum balances in checking accounts are up to the discretion of the Finance Director or Treasurer.